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CONGRESSMAN GARY MILLER
41ST DISTRICT, CALIFORNIA

COMMITTEE ON THE BUDGET

COMMITTEE ON SCIENCE

COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE

ASSISTANT WHIP AT LARGE

May 22, 2001

Ms. Lisa Simpson
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Identification Number C00331496

Reference:

FEC Letter received by us on May 9, 2001 pertaining to transfer of excess

campaign funds reported on Year End Report (7/01/1999 - 12/31/1999)

Dear Lisa:

This is a response to your letter received raising questions as to the transfer of excess campaign funds as reported on the yearend Report for Gary Miller for Congress.

On October 13, 2000 I spoke to you and asked what the procedure was to receive a written answer to the question, "Do FEC regulations allow a transfer of funds from "Gary Miller for Congress" to a state campaign committee to repay outstanding debt?" You said it was not necessary to write the FEC for an opinion, since the rule was: excess funds over and above any obligations could be transferred along as the State allowed it.

I asked questions regarding the details of the transfer I was planning. I needed to know all the facts in advance so I could plan ahead. I mentioned the fact that we had an outstanding debt of \$160,000.00 on Gary's initial election in November of 1997. I then explained to you I didn't have the dollar amount in mind for the transfer yet, since that depended on what contributions came in before the end of December.

I then gave a scenario using the campaign accounts cash on hand at the time, approximately \$300,000.00 and backed off the outstanding debt owed to Gary of \$160,000.00, which left a potential transfer of \$140,000.00. You then asked if that debt was owed to vendors, and I replied no, it was a personal loan from the candidate to the campaign committee. You then stated that a loan from the candidate was not considered an outstanding obligation in a transfer situation such as this since is was owed to him self. I was surprised to hear this!